

**Before the State of South Carolina
Department of Insurance**

In the matter of:)	
)	SCDI File Number 122522
Lumbermens Mutual Casualty Company))	
)	Consent Order
One Kemper Grove)	Imposing Administrative Penalty
Long Grove, IL 60049-0001)	

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Lumbermens Mutual Casualty Company (Lumbermens), an insurer licensed to transact insurance business within the State of South Carolina.

I hereby find as fact that Lumbermens failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission in the proceeding entitled Louis M. Myers v. Marathon LLC, SCWCC File number 0211040, in the amount of \$220. This is a direct violation by Lumbermens of § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the State of South Carolina, following a public hearing before the Administrative Law Judge Court.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, Lumbermens and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke Lumbermens certificate of authority to transact business as an insurer within the State of South Carolina, the insurer would waive its right to a public hearing and immediately submit to the Department an administrative penalty in the total amount of \$1,000.

After a thorough review of the matter, and after carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, although I can now revoke Lumbermens certificate of authority, I hereby impose an administrative penalty in the amount of \$1,000 against the insurer pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). The administrative penalty must be paid within ten days of my date and signature upon this consent order. If this amount is not paid on, or before, that date, then Lumbermens certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of Lumbermens full payment of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand that payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Lumbermens acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Lumbermens shall, within ten days of my date and signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.


It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.


Eleanor Kitzman
Director

8/12
~~7/29~~, 2005
Columbia, South Carolina

I CONSENT:


Signature of Authorized Representative
Renee Pokienka
Name
District Mgr
Title

Lumbermens Mutual Casualty Company
One Kemper Grove
Long Grove, IL 60049-0001

Dated this 29 day of July, 2005